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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Outgoing
C0150009
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February 18, 2009

Kenneth S. Fleck, Manager of Geology and Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Midterm Review, Task ID# 2878, Pacificorp/ Energy West, Trail Mountain Mine,
C/015/0009

Dear Mr Fleck :

The Division has completed the Midterm review of Trail Mountain Mine in accordance with R645-303-211. The items reviewed were identified in our letter of Midterm Review Commencement presented to Energy West on November 15, 2007. The following items were reviewed:

1. An AVS check was conducted in December of 2008. The results are listed below.
2. The Mine Plan was reviewed to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the plan document.
3. A Technical field visit and Mine Plan review was conducted to ensure that the applicable portions of the permit contain commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. The bond was reviewed to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.
5. The Division conducted a technical site visit on September 25, 2008 in conjunction with the assigned compliance inspector, Pete Hess, to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.



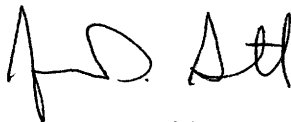
6. Trail Mountain Mine went into temporary cessation on May 2, 2001. The Division requested that Energy West Mining provide future reactivation plans.

The Division determined that there are some deficiencies that must be addressed before the Midterm review can be concluded and a determination can be made that the requirements of the R645 Coal Mining Rules have been met. The deficiencies are listed as an attachment to this letter.

Each Deficiency identifies its author by that author's initials in parentheses, such that your staff can directly communicate with that individual should any questions arise during the preparation of Energy West Mining Company's response.

If you have any questions, please call me at (801)538-5262 or Ingrid Wieser at (801)538-5318.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDS', followed by a stylized flourish or second signature.

James D. Smith
Permit Supervisor

JDS/IW/sqs
Attachment
cc: Price Field Office
O:\015009.TMT\FINAL\WG2878\MIDTERM REVIEW LETTER.DOC

Deficiency List
Task # 2878
Trail Mountain Mine Midterm Review

The members of the review team include the following individuals:

Ingrid Wieser: (IW)	801-538-5318
Priscilla Burton: (PB)	435-613-3733
Jim Smith: (JS)	801-538-5262
Pete Hess: (PH)	435-613-3731

R645-301-111.400, Corporate ownership and control information in Appendix A of the Legal Financial Volume was last updated and incorporated September 4, 2008.

Please provide notarized Secretary signature for each parent company's officer and director information.

- With Secretary signature, please verify the new position of John Diesing, Jr. as Vice President (rather than Senior Vice President) of MEHC.
 - With Secretary signature, please verify the end dates provided for Mark C. Moench and William J. Fehrman, past officers with MidAmerican Energy Holdings Company, as they are the same as the listed starting dates.
 - With Secretary signature, please verify the "current" status of Jeffrey Erb, Assist. Secretary of PacifiCorps. Previous information indicated an end date of May 17, 2006 of Mr. Erb.
 - Please verify whether PacifiCorps Energy is a parent entity to PacifiCorp and if so, provide a list of officers and directors with accompanying Secretary signature for the beginning and ending dates.
 - Please indicate the connection between Interwest Mining Co. and Energy West Mining Co.
 - Show the relationship of all parent entities and affiliates on an ownership family tree.
- (PB)**

R645-301-113.300, At a minimum, either Appendix D or Page 1-2 of the Legal and Financial Volume must discuss Parl Leighton's connection with the two unabated federal violations (900101060 and 900101156) written in 1983 on Pennsylvania permits 360268501S and 360356301S, for nonpayment of AML fees. These violations are linked to PacifiCorps through Parl Leighton, appointed Vice President of MEHC in March 2006. **(PB)**

R645-300-132, The permittee must provide documentation of correspondence with the Office of Surface Mining showing that these violations have been or are in the process of being corrected or that a judicial appeal was filed contesting the validity of the violations, and its resolution (R645-300-132.110). **(PB)**

R645-301-121.100, -121.200, In Sections 7.2.4.2, 7.5.2, and 7.5.3, the Permittee must either provide the missing Figures or rewrite the text of the MRP so that the correct figures are referenced.

Figure 7-1	This figure does not show information described in the text (p. 7-35), and the information is not on another figure.	This figure is correctly referenced in Section 7.1.1.
Figure 7-7	This figure does not show information described in the text (p. 7-39), and the information is not on another figure.	This figure is correctly referenced in Section 7.2.4.1.
Figure 7-8	This figure does not show information described in the text (pp. 7-50 and 7-51).	The information is on Figure 7-12.
Figure 7-13	This figure does not show information described in text (p. 7-41), and the information is not on another figure.	This figure is correctly referenced in Section 7.4.3.
Figure 7-14	Does not exist in the MRP.	The information is on Figure 7-9.
Figure 7-15	Does not exist in the MRP.	The information is on Figure 7-10.
Figure 7-16	Does not exist in the MRP, but it is not clear whether or not this figure # is referred to anywhere in the text of the MRP.	
Figure 7-17	Does not exist in the MRP.	The information is on Figure 7-11.

(JS)

R645-301-541: The Division must be provided with possible future reactivation plans. (IW)

R645-301-812.700: The current posted bond amount is insufficient to reclaim the site.
The Permittee must post an additional \$ 100,000 of reclamation bond as a surety in order to meet the requirements of R645-301-812.700. (PH)